



1914

## U. S. SECURITIES GOVERNMENT FINANCE AND RESERVE BANK ORGANIZATION

### Progress of the Federal Reserve Bank System.

**O**N June 15th, the President completed his selections for the Federal Reserve Board and sent to the Senate the names of five men, who, together with the Secretary of the Treasury and the Comptroller of the Currency, acting as ex-officio members of the Board, will have the important duty of supervising the Federal Reserve Bank system. The names of the five nominated for this service are as follows:

Charles S. Hamlin, of Boston, to serve two years;

Paul M. Warburg, of New York, to serve four years;

Thomas D. Jones, of Chicago, to serve six years;

W. P. G. Harding, of Birmingham, Alabama, to serve eight years; and

A. C. Miller, of San Francisco, to serve ten years.

These names are now under consideration by the Senate Committee on Banking and Currency, and it is believed that in due course the nominations will be confirmed. When this shall have been done, with three exceptions the Board will be made up of officials now connected with the present Administration. The ex-officio members are already officials of the Treasury Department, as is also Mr. Charles S. Hamlin, of Boston, who at present serves as Assistant Secretary of the Treasury in charge of the financial bureaus. Mr. A. C. Miller, of San Francisco, is Assistant Secretary of the Interior. Neither Mr. Paul M. Warburg, of New York, Mr. W. P. G. Harding, of Birmingham, nor Mr. Thomas D. Jones, of Chicago, is connected with the Government service. Politically, the Board is a unit. Six of its members are avowedly adherents of the party now in power, and the seventh, formerly a Republican, is understood to have supported the President at the last election. While the Board cannot, therefore, be regarded as non-partisan, the selections have met with favor because of the character and ability of the men selected.

### The Preliminary Work and Rulings.

The new banking law has been on the statute books more than one-half a year. It became a law December 23, 1913. It is taking somewhat longer to put the law into operation than it did to pass it through Congress. The preliminary work of organization involved a lengthy tour of the country by the members of the Organization Committee; look-

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ing to the selection of Federal Reserve cities, and the complicated procedure for the selection of directors of Federal Reserve banks prescribed by the law has consumed much time. Authorities charged with the inauguration of the new system are pressing toward the completion of their labors as rapidly as possible in the hope that the Federal Reserve banks will be ready for business in time to aid in moving the crops this year; but it is believed by many that hopes in this direction are not well grounded, and that crop moving will be fairly well advanced—if not ended—before the opportunity is given to test the operation of the new law for this purpose. The best opinion on the subject is that the country may not reasonably expect the new law to be in good working order before the end of the current year. This is a reasonable view to take, because even with each Federal Reserve Bank completely organized, with full boards of directors of classes "A", "B" and "C", and with a Federal Reserve Board confirmed and ready for the work of supervision, many important rulings must be made and practices put into operation before the public will have the opportunity of judging either the merits or demerits of the new law. The transfer of reserves is to be accomplished, commercial paper is to be defined, subscriptions to the capital stock of the Federal Reserve banks are to be paid in, and many perplexing problems will arise in connection with these and other transactions in the development of the new system which will cause delay. And perhaps, because it is a new system—radically different in many respects from the old one, under which the country has done business for sixty years—it is just as well that the putting of the new law into force should proceed with deliberation. The evils of haste might indeed be greater than possible evils of delay.

### State Banks in the System.

Although practically all national banks have become member banks of the new system, only a comparatively small number of state institutions have signified their intention of qualifying under the new law. The system will lack completeness unless those banks which are grouped under the classification of state banks become in considerable numbers a part of it. The preponderance of banking power in this country is with the state banks. The proportion, according to recent figures, shows resources of state banks of about 14 Billions, as against resources of national banks of about 11 Billions. It is reported from Washington that, soon or late, the new law will be amended so as to

Those desiring this circular sent to them regularly will receive it without charge upon application.

make it more attractive to state banks, particularly by permitting the reserves of such banks to be held by either state or national banks instead of by national banks only, as the law now stands, for the three year period during which a part of the reserve balances may be kept with reserve agents instead of with Federal Reserve banks. Another amendment of the law in contemplation, but which has not yet taken legislative shape, would permit state institutions to join the Federal Reserve system without requiring them to conform to the capitalization requirements of the National Bank Act. There is no likelihood that any of the proposed legislation will be considered at the present session of Congress, but there is a possibility that the Federal Reserve Board, under its broad powers, might find authority to overcome the objections expressed by the state banks and trust companies. While the system is being perfected and put into operation, and while it is actually in operation, the state banks will have abundant opportunity to observe its workings; and if it is to their liking and advantage, they will no doubt in due time become member banks.

#### Circulation for new National Banks.

The Comptroller of the Currency has made a ruling to the effect that if new Banks desire to take out National Bank Note circulation, they will have to deposit United States Bonds equal to the amount prescribed for charter purposes under the National Bank Act. In other words, a Bank with a capital of say \$100,000, will have to deposit at least \$25,000 Government Bonds if it desires to issue circulation. While this ruling has not been announced in the form of an official circular or general statement, it has been applied to a few cases recently presented.

#### Condition of the Treasury.

There has been some discussion during the past month of the prospects of a Federal bond issue in aid of Treasury finances; but there is little likelihood that this will come to pass in the near future. This discussion is predicated on decreasing revenues, increasing expenditures and failure of the income tax fully to meet expectations. Existing bond authority in any event rather negatives the idea of a bond issue to meet Treasury deficiencies. The general fund of the Treasury is entitled to reimbursement on account of Panama Canal expenditures to the extent of more than \$214,000,000, against which it has authority to sell Panama 3% bonds which are not available as security for national bank circulation. Whether there is an investment demand sufficient to absorb a large amount of this class of Government bonds could only be tested by an actual offering. Customs revenues are larger than were expected and the estimate of the Secretary of the Treasury made at the beginning of the last session of Congress of \$271,000,000 from this source for this fiscal year is likely to be exceeded by as much as \$20,000,000; but even with this increase, coming as a surprise late in the year, receipts on account of customs are likely to show from \$20,000,000 to \$25,000,000 less than for the fiscal year 1913. The recent increase in customs, while constituting a gratifying contribution toward Treasury needs, is in another sense a disappoint-

ment, for the increase is largely to be attributed to imports of manufactured goods.

#### Operation of the New Tariff Law.

The figures of the May foreign trade just issued by the Department of Commerce are not reassuring as to industrial activities or trade movements which would bring money into the country or into the Treasury of the United States. Imports show a large increase, \$30,000,000 as compared with May of last year, but this increase presumably occurs chiefly in manufactures, for while the articles or groups of articles are not yet shown, those of the preceding months of the operation of the new law show that the principal increase in imports occurs in manufactures. On the other hand exports show an even greater fall, \$33,000,000 as compared with May of last year and this decline presumably occurs in manufactures since this is true of the earlier months of the operation of the new law.

The details of the May figures as to the movements by great classes of articles can only be estimated by a reference to the figures of the preceding months' operations of the new law, but as they have shown a sharp falling off in exports of manufactures and a sharp increase in imports of manufactures, it may be assumed that the large fall in May exports and large increase in May imports will show the same general characteristics observed in the earlier months' operations of the law for which detailed figures are already available.

#### Imports and Exports.

In the October to April period finished manufactures imported amount to \$262,000,000 against \$244,000,000 in the same months of last year, an increase of \$18,000,000 while manufacturers' materials, including both the raw material and manufactures for further use in manufacturing show a fall of \$37,000,000 most of this decrease occurring in manufactures for further use in manufacturing. On the other hand exports of manufactures show a large falling off both in the finished product and in manufactures for further use in manufacturing. The total value of finished manufactures exported in the seven months' period was, in round terms, \$422,000,000 against \$454,000,000 in the same months of last year and of manufactures for further use in manufacturing \$214,000,000 against \$234,000,000 in the same item for last year, a falling off of \$52,000,000 in exports of manufactures in seven months' time.

The cause of this large fall in the exports of manufactures cannot be fully determined from any data available now. The theory that business depressions abroad is the principal cause can hardly be sustained in view of the fact that the export of raw material for use in manufacturing shows a sharp increase, having amounted, in the seven months ending with April, to \$575,000,000 against \$539,000,000 in the same months of last year. If it is true, as is urged by representatives of the parties opposed to the new tariff, that the industrial interests have slowed down since the bill went into effect—and this assertion seems to be sustained by the decrease in importation of manufacturers' materials—the

cause of the falling off in exports of manufactures may perhaps be found, in part at least, in the reduced output of the domestic manufacturing establishments. A large proportion of the materials imported for manufactures shows a decline in the seven months' operations of this law when compared with the corresponding months of the earlier years and this seems to support the assertion frequently made that the manufacturing industries of the country are not turning out their usual quantity of manufactures and if so they probably have a less surplus to spare for exportation. At least it is a fact as shown by the figures for the seven months ending with April that the value of iron and steel manufactures exported during the existence of the new law, October to April, is but \$142,000,000 against \$177,000,000 in the same months of last year; cars and carriages, \$31,000,000 against \$35,000,000; leather and its manufactures, \$33,000,000 against \$38,000,000; agricultural implements, \$22,000,000 against \$25,000,000; tin plate, 55,000,000 lbs. against 91,000,000 lbs. while cotton manufactures and many other products of manufacture show a fall in the exports during the past eight months.

Combining the available May figures with those of the earlier months, the general imports show an increase of \$55,000,000 for the eight months' operations of the new law and the domestic exports a fall of \$113,000,000, this fall in exports occurring in manufactures and food stuffs, while manufacturers' materials exported show an increase, despite the assertion of industrial depressions in other parts of the world.

### The Real Test.

But the figures which show an increase of \$55,000,000 in "general imports" during the eight months' operation of the new law do not tell the full story. As is well known, there was in warehouses on October 1, 1913 more than \$100,000,000 worth of foreign merchandise which had been brought into the country during the previous months but was awaiting entry for consumption and payment of duty under the new law. It is in this class of imports—known as "Imports for Consumption" that is found the real test of the quantity of foreign merchandise supplied to the consumers of the country under the new law. And these figures will show a total for the eight months, probably twice as great as that indicated by the \$54,000,000 increase of general imports. The monthly statements of the Department of Commerce show, at the end of the import table, the total quantity of merchandise entered for consumption during the month, whether entered on arrival or withdrawn from warehouses and entered for consumption. This line, at the end of the monthly import statement, showing the amount of foreign merchandise entered for consumption during the month represented, is the real test of foreign merchandise consumed, and these figures for the seven months ending with April show a total of \$1,150,000,000 worth of merchandise entered for consumption in the seven months' operations of the new law against \$1,070,000,000 worth entered

for consumption in the same months of the preceding year, an increase of \$80,000,000 worth of foreign merchandise entering consumption in the seven months' period when compared with the corresponding period of the preceding year, although the general imports figures show an increase of but \$25,000,000 for that same period.

### Official Decisions, Orders, Forms and Press Notices

#### Issued in June, Relative to the Federal Reserve Act.

#### Subscribing Banks and Member Banks.

The following letter gives the opinion of the Secretary of the Treasury regarding the important question which is raised.

TREASURY DEPARTMENT

Washington June 11, 1914.

MR. F. L. HINE, President,  
New York Clearing House Association,  
New York City.

Dear Sir:

Your letter of June 9th enclosing, as stated, copy of your letter of May 20th, has been duly received and considered.

Under the provisions of the Federal Reserve Act, the Organization Committee is empowered to deal only with matters relating to the organization of the several Federal Reserve banks and its powers do not include those of supervision of such banks when organized. Any opinion expressed, therefore, by the Committee would be necessarily unofficial and without binding effect since the Federal Reserve Board, when organized, might adopt a view which would not be in accord with that of the Committee.

While it is true, as suggested, that under Section 4 of the Federal Reserve Act, and in accordance with notice of May 6th sent out by the Committee, subscribing banks become member banks upon the filing of the organization certificate, many of the provisions of the Federal Reserve Act cannot become operative until the Federal Reserve banks are in actual operation. Accordingly, the Committee is of the opinion that subscribing banks become member banks when the organization certificate is filed only for the purpose of completing the organization of such banks and that the general provisions of the Federal Reserve Act relating to member banks will not become fully operative until the Federal Reserve banks are in actual operation and until this office has, in accordance with Section 19, made official announcement of that fact.

The second paragraph of Section 19, dealing primarily with reserve requirements, provides that—

"When the Secretary of the Treasury shall have officially announced, in such manner as he may elect, the establishment of a Federal Reserve Bank in any district, every subscribing member bank shall establish and maintain reserves as follows."

While this Section deals, as suggested, primarily with bank reserves, it is manifestly contemplated that before such provisions become effective some official announcement must be made of the establishment of a Federal Reserve bank by this office and since such an announcement cannot be made until the Federal Reserve banks are fully organized and are ready to receive the transfer of reserve from other banks, the Committee has concluded, as above stated, that the filing of the organization certificate will cause subscribing banks to become member banks only for the purpose of completing the organization of Federal Reserve banks and that those provisions which relate to the operation of member banks will not become effective until announcement has been made by this office that such banks are fully established and are ready to begin business.



If the Federal Reserve Board is organized before any of the Federal Reserve banks are ready to begin business an official interpretation of Section 22 will no doubt be promulgated before notice of the establishment of such bank is given by this office, in which case the member banks will be relieved of any embarrassment resulting from uncertainty as to the meaning of this Section.

Respectfully,

(Signed) W. G. McAdoo,  
Secretary.

## The Right of Free Ballot.

Washington, June 2, 1914.

The Reserve Bank Organization Committee announced today that the nominations and elections of directors of classes "A" and "B" for the twelve Federal Reserve Banks, which begin this week, must be carried out strictly in accordance with the provisions of the Federal Reserve Act, and that if this is not done, defective ballots and ballots cast improperly will be thrown out.

The Committee also stated that the Electors selected by each member bank have, under provisions of the law, the right of secret ballot; that all ballots, upon being executed by the Electors, must be mailed promptly in sealed envelopes to the Organization Committee at Washington, and will not, after being signed by the Elector, be subject to the scrutiny or inspection of anyone but the Organization Committee or the Federal Reserve Board.

Each member bank, large or small, has the right to cast its vote free from the advice, direction or restraint of any other bank or association of banks. This right of free ballot is inherent with every member bank, and will be fully protected by the Committee.

## Method of Nominating Directors of Classes "A" and

### "B" and Election of Electors.

June 3, 1914.

That part of Section 4 of the Federal Reserve Act which relates to the election of directors of Federal Reserve banks provides that each member bank shall elect by ballot a district reserve elector and shall be permitted to nominate one candidate for a class "A" and one candidate for a class "B" director.

In compliance with these provisions you are requested at a regularly called meeting of your board of directors to elect by ballot your district reserve elector, and to certify his name and signature to the Committee on the form inclosed herein for that purpose.

The sole duty of the district reserve elector will be to vote, on behalf of your bank, for one class "A" and one class "B" director of the Federal Reserve Bank of your district. Any officer or director of your bank or any other person may be elected by your board to serve in this capacity as elector.

At the same meeting of your board at which you select the elector, you are also requested to nominate a candidate for class "A" and a candidate for class "B" director, if you desire to exercise this privilege which is conferred by Section 4 of the Act aforesaid.

Class "A" candidates should be representative of the stockholding banks of your district and may be officers, directors, stockholders or employees of such banks.

Class "B" candidates must be engaged in agriculture, commerce or some other industrial pursuit in your district, and must not be officers, directors or employees of any member bank.

The statute contemplates that the nominees to be voted on by the electors shall represent the voluntary choices of the member banks, and it is of course unnecessary to emphasize the importance of placing in nomination candidates who will properly represent the interests of the banks electing them.

Any eligible candidate in your district may be placed in nomination, but only those nominated by banks in your particular group can be voted on by your district reserve elector. Each group will elect independently one class "A" and one class "B" director.

When your bank has by appropriate action of your board of directors selected its candidates you are requested to certify their names promptly to the Organization Committee on the forms inclosed herewith for that purpose. When nominations have been received by the Organization Committee ballots will be prepared showing all nominees of each group, and these will be immediately mailed to the electors of each group so that vote may be taken as soon as possible.

All nominations should be returned to the Committee within ten days after receipt of inclosed forms so that elections may be proceeded with. Failure to send in nominations will be construed as indicating that your bank does not desire to nominate candidates.

When the ballots are received by the electors, each elector will indicate on the respective ballots his first, second and third choices for class "A" and first, second and third choices for class "B" director.

When this has been done, each ballot must be returned in a sealed envelope to the Organization Committee, and in order that the spirit of the Act may be fully complied with and that the voting may be free from any improper influence, it is not the purpose of the Committee to make public the individual vote of any elector, but only the result as required by the statute.

In returning the inclosed forms please observe the following instructions:

Write plainly, or fill in on typewriter the information called for.

See that the signature of your district reserve elector is signed on the card inclosed for that purpose.

Affix the seal of your bank to each certificate.

Return all cards in the self-addressed envelope, herewith inclosed, which requires no postage.

Respectfully,

M. C. ELLIOTT,  
Secretary,  
Reserve Bank Organization Committee.

## CERTIFICATE OF ELECTION OF DISTRICT RESERVE ELECTOR.

FEDERAL RESERVE BANK OF \_\_\_\_\_ Group No. ....  
District No. ....  
At a meeting of the Board of Directors of the .....  
.....  
(Name of bank.)  
duly called and held on the ..... day of ..... 1914, on motion  
duly made and seconded, it was  
"Resolved, That Mr. .... of .....  
having been elected by ballot as the District Reserve Elector for this  
association, the Cashier is hereby authorized, empowered, and directed  
to certify his name and signature to the Reserve Bank Organization  
Committee, and the said District Reserve Elector, elected as aforesaid,  
is hereby authorized, empowered, and directed to cast the vote of this  
bank for Class A and Class B directors for the Federal Reserve  
Bank of ..... in accordance with the provisions of Section 4 of  
the Act of Congress approved December 23, 1913, known as the Federal  
Reserve Act."

(Signature of District Reserve Elector.)

I hereby certify that the foregoing is a true and correct copy of a  
resolution of the board of directors of this association duly adopted on  
the date specified, and pursuant thereto, I hereby certify that .....  
....., whose signature appears above,  
and who signed the same in my presence, is the duly accredited District  
Reserve Elector for this association.

[SRAL.] ..... Cashier.

To the RESERVE BANK  
ORGANIZATION COMMITTEE,  
Washington, D. C.

Form 13A

## CERTIFICATE OF NOMINATION FOR CLASS A DIRECTOR.

FEDERAL RESERVE BANK OF \_\_\_\_\_ Group No. ....  
District No. ....  
At a meeting of the Board of Directors of the .....  
.....  
(Name of bank.)  
duly called and held on the ..... day of ..... 1914, on motion  
duly made and seconded, it was

"Resolved, That..... of..... whose occupation is..... be, and he is hereby, nominated as a candidate for director of Class A of the Federal Reserve Bank of..... and the Cashier is hereby authorized, empowered, and directed to certify his name to the Reserve Bank Organization Committee as the nominee of this association in accordance with the provisions of Section 4 of the Act of Congress approved December 23, 1913, known as the Federal Reserve Act."

I hereby certify that the foregoing is a true and correct copy of a resolution of the board of directors of this association duly adopted on the date specified, and pursuant thereto I hereby certify that..... is the duly accredited nominee of this association for a Class A director of the Federal Reserve Bank of..... in Group No.....

[SEAL.]....., Cashier.  
To the RESERVE BANK  
ORGANIZATION COMMITTEE,  
Washington, D. C. Form 13B

**CERTIFICATE OF NOMINATION FOR CLASS B DIRECTOR.**  
FEDERAL RESERVE BANK OF  
District No..... Group No.....  
At a meeting of the Board of Directors of the.....  
(Name of bank.)

duly called and held on the..... day of....., 1914, on motion duly made and seconded, it was

"Resolved, That..... of..... whose occupation is..... be, and he is hereby, nominated as a candidate for director of Class B of the Federal Reserve Bank of..... and the Cashier is hereby authorized, empowered, and directed to certify his name to the Reserve Bank Organization Committee as the nominee of this association in accordance with the provisions of Section 4 of the Act of Congress approved December 23, 1913, known as the Federal Reserve Act."

I hereby certify that the foregoing is a true and correct copy of a resolution of the board of directors of this association duly adopted on the date specified, and pursuant thereto I hereby certify that..... is the duly accredited nominee of this association for a Class B director of the Federal Reserve Bank of..... in Group No.....

[SEAL.]....., Cashier.  
To the RESERVE BANK  
ORGANIZATION COMMITTEE,  
Washington, D. C. Form 13C

**Salaries of Federal Reserve Board to be paid by  
Assessment on Member Banks.**

**TREASURY DEPARTMENT.**

The Honorable Washington June 13, 1914.  
The Secretary of the Treasury.

Sir:

I have your letter of the 12th inst, as follows:

"I attach hereto a memorandum from Mr. M. C. Elliott, Secretary of the Reserve Bank Organization Committee, from which it appears to be necessary to secure a decision from you as to whether or not any portion of the one hundred thousand dollars appropriated to enable the Organization Committee to carry out the provisions of the Federal Reserve Act, can be used to pay the salaries of the members of the Federal Reserve Board pending the levying by said Board of an assessment upon the banks for that purpose. It would seem to me that the salaries of the Federal Reserve Board could properly be advanced out of this appropriation and the Treasury reimbursed for such advances as soon as the assessment has been made upon the member banks. Will you be good enough to give me a ruling on this point at the earliest possible moment?"

Section 10 of the Federal Reserve Act creates the Federal Reserve Board and provides for the appointment and compensation of its members who are to receive annual salaries payable monthly together with actual necessary traveling expenses. The Section also provides:

"The Federal Reserve Board shall have power to levy semi-annually upon the Federal Reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and the salaries of its members and employees for the half-year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half-year."

This is the only method provided for the payment of salaries of members of the board. It is specific and is therefore exclusive of any more general method which might have been available if no specific provision had been made.

Section 4 of the act provides for the organization of Federal Reserve banks after the preliminary work incident to such organization shall have been done by the Reserve Bank Organization Committee.

Each Federal Reserve Bank becomes a body corporate immediately upon the filing with the Comptroller of the Currency of the required certificate of organization which is

a preliminary step and may be taken before the organization of the Federal Reserve Board. Under the statute a Federal Reserve bank cannot elect its officers or proceed to business until after the appointment of a part of its directorate by the Federal Reserve Board, but it is none the less a body corporate from the time of the filing of the certificate aforesaid.

The law contemplates that the preliminary work of organization shall be done by the Organization Committee and that the Federal Reserve banks shall be in existence and therefore subject to the assessment and levy provided for by section 10, *supra*, at the time the Federal Reserve Board is organized. There is no apparent reason why the first semi-annual assessment and levy may not be made immediately upon the organization of the Board, all preliminary work having been done by the Organization Committee, and thus made to cover salaries of members of the Board from the time of its organization and their entry upon duty.

The appropriation to which you refer which is found in section 2 of the act covers expenses incurred by that committee in the preliminary work of organization entrusted to it by the statute. The salaries of members of the Reserve Board are otherwise specifically provided for by the statute and the expense thereof is in no sense an expense of the committee or of work of organization entrusted to the committee and cannot be regarded as a lawful charge against the appropriation.

If this appropriation is not available for the payment of salaries ultimately and without reimbursement it cannot be resorted to for payments to be thereafter reimbursed. There is no authority for borrowing from an appropriation not applicable for the contemplated purpose even though re-payment be assured.

You are advised that salaries of the members may not lawfully be paid in any other manner than by the assessment and levy provided for by section 10 of the act.

Respectfully,

Geo. E. Downey

Comptroller.

**Notice to the Press.**

June 18, 1914.

The Reserve Bank Organization Committee is notifying all member banks in the Federal Reserve system which have not sent in names of candidates that nominations of class "A" and class "B" directors must be received by the Committee not later than June 22nd in order for the names of such candidates to appear on the ballots to be sent out to the District Reserve Electors.

The Committee is also sending out a second notice to those banks which are delinquent in furnishing the names of their Electors and calling attention to the fact that while member banks are permitted but not specifically required to nominate candidates for class "A" and "B" directors the provision of the Federal Reserve Act relating to the election of District Reserve Electors is mandatory and that failure to send in certificate of election of such electors will constitute a violation of the Federal Reserve Act.

**Address before the Ohio Bankers Association.**

At the recent meeting of the Ohio Bankers Association Mr. Milton C. Elliott, Secretary of the Organization Committee delivered the following address which will be of interest to bankers in the country at large.

Mr. President—Members of the Ohio Banker's Association:

On December 23, 1913, the Act of Congress of the United States, known as the Federal Reserve Act was approved by the President and became a law.

Since the passage of this Act the Reserve Bank Organization Committee, consisting of the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency has been engaged in bringing into existence the Federal Reserve banks and creating and defining the Federal Reserve districts as the first steps in placing the Act

in operation. This work is now nearing completion, the districts have been defined, the Federal Reserve cities named, and the Federal Reserve banks incorporated and partly organized. In a short time the class "A" and class "B" directors of these banks will have been elected by the member banks and the class "C" directors appointed by the Federal Reserve Board. The Board of Directors of each Federal Reserve Bank will take charge of and complete the organization of such bank by adopting by-laws, selecting officers and employees and procuring necessary banking quarters. When the banks are ready to open for business, the Secretary of the Treasury, as provided by law, will announce the establishment of such banks thus bringing into operation those provisions of the Act which are not yet in force.

Under these circumstances a consideration of the real meaning and effect of this legislation naturally forms one of the principal topics at meetings of bankers or banking associations, and it is a very great pleasure to be permitted to join with you in a discussion of such great interest under such pleasant auspices.

When we undertake to interpret or define a statute we naturally turn to an examination of the law prior to its passage in an endeavor to ascertain the reason and the necessity for the passage of the Act under consideration. As the text writers express it, a question of interpretation involves a study of the old law, the mischief and the remedy. Accordingly, in examining the Federal Reserve Act with a view of determining its real meaning and effect it is helpful to review briefly the history of this and similar legislation and the causes leading up to the passage of this Act.

When the circumstances under which the Federal Reserve Act became a law are compared with the conditions under which other Federal legislation on the subject of banking and currency has been enacted, it is apparent that the Federal Reserve Act is the result of a more calm and deliberate consideration and study than any of its predecessors, and should, and unquestionably will, furnish a more scientific and practical banking machinery than any legislation heretofore passed by Congress.

In 1790, when Alexander Hamilton advocated and brought into being the first bank of the United States, he was faced primarily with the problem of providing a currency system for a new republic and a fiscal agent for the Government. The advantages to be derived by the banks and the public from a system which according to its advocates was designed to bring the banks into closer financial relations with the Government were lost sight of in the fear that the purpose of this legislation was to bring the Government into competition and not into cooperation with the banks. In spite of considerable opposition, however, the first Bank of the United States was chartered by Congress for a period of twenty years and continued in existence for this length of time. At the expiration of its charter Hamilton was dead and although Albert Gallatin, the then Secretary of the Treasury, who was in no sense in sympathy with Hamilton's political views, strongly advocated the renewal of the charter, the renewal was defeated by a vote of 65 to 64 in the House and by a tie vote in the Senate, the Vice President casting his vote against the Bill to renew.

In 1816, five years later, another charter for twenty years was granted to the second Bank of the United States after six previous attempts to secure such a charter from Congress. Here again the necessity arose on behalf of the Government for a more systematic machinery for handling its financial transactions, and here again the same difficulty was experienced in obtaining any consideration on its merits of any currency or banking legislation.

The history of the second Bank of the United States is one more of politics than of banking. When this bank had been made a political issue and forced out of existence, the Government again returned to the independent treasury system of merely depositing its collections from taxation in its vaults until needed for appropriations. Within two years after the expiration of the charter of the first Bank of the United States it was found that the fiscal affairs of the Government were carried on with great difficulty and the need of a second bank or of some related system of banking was strongly felt. Whenever any definite proposition was advanced, however, it became immediately a political issue and party antagonism was aroused. The various state banks looked upon the establishment of a national bank in any form as an invasion of their private rights. Although the lack of a uniform currency system was felt and realized,

every effort to bring about a less chaotic condition by the establishment of a Government institution resulted in the charge that it was an attempt to establish a monstrous monopoly, and consideration of questions of banking and currency on their merit were uniformly difficult of accomplishment in view of the political elements injected into every discussion on the subject.

The National Bank Act, which furnishes the machinery for our present system was first passed in February, 1863, but the entire Act was repealed and re-enacted in 1864 during the Civil War. As originally passed this was an Act "To provide for a national currency secured by United States stocks." In effect it provided for the issuance of national bank notes by associations organized under the provisions of the Act, and in consideration of such banks depositing United States bonds with the Government, the Government undertook to maintain the parity of such notes by redeeming them for the banks out of funds deposited with the Treasury for that purpose and by guaranteeing their payment to the public.

In 1874 the title was changed to the "National Bank Act." Since its passage this Act has been the subject of sixty-odd amendments. Whether, as claimed by its opponents, it was passed merely for the purpose of providing a market for Government bonds or whether it was in response to a demand for a more uniform system of banking and currency, the fact remains that this Act, like its predecessors, was passed to meet an existing emergency, and the fifty years it has been in operation have fully demonstrated a number of important and substantial defects.

A study of the more fundamental or basic defects of the National Bank Act will help to illustrate the purposes and intent of the Federal Reserve Act, which by amendatory and supplementary provisions undertakes to remedy such defects.

### Changes in Reserve Requirements.

For example, under the provisions of the National Bank Act a bank located outside of a reserve or central reserve city was required to maintain a reserve of 15% of its demand liabilities. Of this 15%, six per cent. was required to be carried in cash in vault while nine per cent. might be carried with an approved reserve agent in any reserve city.

The banks in the reserve cities were required to carry 25% of their demand liabilities as reserve. Of this 25% one-half or an amount equal to twelve and one-half per cent. of demand liabilities could be carried with an approved reserve agent in a central reserve city. Only in the central reserve cities were the banks required to carry the full 25% in cash in vault.

When we analyze these provisions of the National Bank Act it is at once apparent that while the purpose of requiring national banks to maintain a reserve is in order to provide a cash fund to meet both normal and abnormal demands, that part of the reserve which such banks were permitted to carry with other national banks constituted reserve in name only since a deposit in another national bank is in effect a loan to such bank.

It was probably thought that since such deposits were subject to check they would fulfil the reserve requirements to the same extent as cash in vault. This is no doubt true in normal times but the inherent difficulty arose from the fact that in all abnormal periods of financial stringency the debtor banks, or those carrying reserve for other banks, were subject to the same class and character of demands as the creditor banks, or those having balances with reserve agents. Consequently the demands of their own depositors rendered the debtor banks unable to respond to the demands of the depositing banks who undertook to utilize their own bank reserve. This was clearly demonstrated in the panic of 1907.

To correct this defect Federal Reserve banks have been established and will become the eventual depositories of the reserve of all member banks. The Federal Reserve Bank, which will receive deposits only from member banks and the Government and not from the public at large, will not be subject to the same class of demands as member banks, and, accordingly, the reserve carried with such Federal Reserve banks will be at all times available when



needed. For this and other reasons the amount of reserve required is not as large under the new system as under the old.

Another general criticism of our system was that of

### Inelastic Currency.

While the National Bank Act, with the assistance of the 10% tax on state bank circulation, unquestionably accomplished a great deal in bringing about a more uniform system of currency, the criticism has been consistently made that our currency system has been inelastic and unresponsive to varying seasonal demands. In other words, it is claimed, that under the National Bank Act at certain periods the \$750,000,000 issued in national bank currency has had the effect of creating a redundancy in circulation. Under such circumstances the country bank not having sufficient demand to utilize cash on hand, in addition to availing itself of the defect in the reserve system referred to by carrying its full proportion of reserve with its agents, has also deposited or loaned to banks in reserve cities its surplus cash at rates of interest varying from 2 to 3% and 4%.

In like manner the banks in reserve cities have deposited with or loaned to banks in central reserve cities their surplus cash on hand. The result has necessarily been, under such circumstances, that banks located in the central reserve cities were under the necessity of finding a market for the use of such surplus cash in order to meet the interest obligations assumed when these deposits were received.

It inevitably follows that such a redundancy of cash deposited in a few cities must have the effect of greatly reducing discount rates and causing a constant fluctuation of such rates, or that in an endeavor to find a market for such excess funds a speculative and artificial market is created and encouraged by the banks having such funds to invest.

The inflexibility of circulation which results in arresting normal development is largely responsible for this condition. For example, a country banker, after loaning to what he deems a safe margin, must make provision for seasonal demands which he knows will occur; that is to say, for the movement of crops or some similar local demand. Accordingly he is afraid to extend his lines of credit no matter how safe the security or conservative the investment may be, because by doing so he must run the risk of not being able to liquidate such loans in time to meet the demands which he knows will arise.

It is this condition which encourages him to contract his loans and to deposit his cash with reserve agents. It is true that if he has formed affiliations with banks in the larger cities he may count on obtaining cash to meet his requirements by rediscounts and bills payable provided his correspondent bank is in a position to extend him this accommodation at the time that he needs it, but he must run the risk under the old system of his correspondent bank not being in a position to accommodate him at that time or else must curtail his investments and tie up his cash funds in order to be prepared for the demands he is anticipating.

Under the new system, inasmuch as a Federal Reserve Bank will deal primarily with its member banks and its resources will be held for the benefit of such banks, a member bank can with greater confidence take care of the needs of its customers, knowing that so long as its paper is of the class and character required by the provisions of the Act and its loans are conservatively made it may convert this paper into cash to meet its requirements by rediscounting with the Federal Reserve Bank of its district. A member bank need have no fear that the Federal Reserve Bank will not be in funds to meet these demands.

First, because the Federal Reserve Bank is not subject to the same class and character of demands as the member bank but holds its resources for the benefit of such banks.

Second, because if the resources of one Federal Reserve Bank are insufficient the Federal Reserve Board may permit or require other Federal Reserve banks to furnish the necessary funds.

Third, because under the supervision of the Federal Reserve Board such Federal Reserve banks may utilize the credit of the United States Government by procuring an issue of Federal Reserve notes, secured by paper eligible for rediscount.

It is through this medium that the much desired elasticity is obtained in our currency system; that is to say, the Federal Reserve Board may permit the increase of circulation by the issuance of Federal Reserve notes under the provisions of the statute, and when these notes have served their purpose and have met the abnormal demands they may and will be retired from circulation so as to avoid the redundancy which it is claimed has occurred under our former system.

It may be asked whether while the power to issue Federal Reserve notes creates elasticity in so far as it permits an increase of circulation, the Federal Reserve Act provides for any contraction, and whether the same redundancy that now occurs may occur under the new system.

This is hardly probable. First, because of the refunding provisions of Section 18 by which national bank circulation after two years may be gradually reduced by the purchase of bonds by Federal Reserve banks. Second, because newly organized national banks are no longer required to take out and so constantly increase this circulation and third, it is submitted that such a condition will be obviated by the natural increase in demand for money for safe and legitimate investment which will result from the operation of the new Act, under the supervision and control of the Federal Reserve Board. In other words, the fact that the member banks have as an additional resource the right of rediscount with the Federal Reserve Bank and that they may safely take care of their local needs should inevitably and scientifically result in the creation of additional demands for investment by legitimate and proper commercial and industrial development.

### Government Supervision.

Another important improvement in our system of banking provided by the Federal Reserve Act is the establishment of a more effective supervision of banking in the United States. Under the former system the relation between the banks and the Government was such that the Government's interest was fully protected, and this protection did not to any great extent depend upon the efficacy of Government supervision. In the pledge of the Government's credit by guarantee of the national bank notes issued by such associations it received as its security its own obligations in the form of United States bonds for an amount equal to the notes guaranteed. In addition to receiving its own bonds as security for these notes the Government by statute has a lien on all of the assets of such associations paramount to the lien of any other creditor.

The only other relation as between the Government and the banks in which its interest needed protection was that of depositor, and here again the Government received as security for its deposits its own obligations in the form of bonds until commercial paper was accepted as part security when deposits were made by Secretary McAdoo, in national banks to facilitate the movement of the crops during the Fall of 1913.

While I do not mean to imply that the supervision of the banking system has not been as effective as the machinery permitted, the system has not been as scientific as that provided by the Federal Reserve Act nor has the interest of the Government, the banks and the public been as closely related. The Government will, under the new system, be interested not only in the security of the national bank notes, not only in the safe return of its deposits, but it will have a pecuniary interest in the class and character of investments made by each member bank since these investments are to be the basis of loans by the Federal Reserve banks and may be the basis for the pledge of the credit of the United States in the issuance of Federal Reserve notes. It is through this interest that the bankers, the public, and the Government are brought into that close relationship which is desirable and necessary if we are to perfect a cooperative system of banking and currency.

An effective supervision of the banks is the most scientific guaranty of deposits. The interest which the Government will have, not only in the earnings of the Federal Reserve banks, but in the pledge of its credit will insure additional care and conservatism in the supervision of the banks, and the machinery provided for this supervision is far superior to that heretofore provided by the National Bank Act. It is believed to be both scientific and practical; for example, let us trace a loan under the new system from the

point at which the member bank makes it to the point at which it is used as a basis for credit for notes to be issued by the United States Government.

The customer applies to his local bank for the discount of commercial paper. The local bank, as above pointed out, is relieved of the necessity of curtailing its investments by reason of the fact that with the proper class and character of paper it will be able to reconvert this paper into cash when occasion demands it. This ability to convert such paper into cash, however, is dependent upon the class and character of paper accepted, so that as a member of this new system, realizing that he may desire to convert this paper into cash and that he may desire the Government to furnish this cash, there is an added incentive for the banker to use care and conservatism in making his loans. Occasion does arise when the banker needs additional cash, and he applied to the Federal Reserve Bank of his district to rediscount this paper. The Federal Reserve Bank knowing that each member bank is one of its customers has an interest in the affairs of each and in the class and character of paper which is being handled and offered for rediscount. Knowing that it in turn will be liable to the extent of all its assets for any credit it asks from the Government in the form of Federal Reserve notes should occasion arise, there is every inducement for such bank to exercise due diligence, care, and conservatism in accepting notes for rediscount which may or may not be subsequently used as a basis for the issuance of Federal Reserve notes and the exercise of this diligence and care is a matter in which each member bank has a vital interest as well as a voice through its representatives on the board.

Accordingly when such notes are offered to the Federal Reserve Agent, as the local representative of the Federal Reserve Board, they have already been approved first, by the local board of directors of the member bank, second, by the board of directors of the Federal Reserve Bank, of which he is Chairman, and if received through a branch of the Federal Reserve Bank they have also been approved by that board. Consequently when application is made to the Federal Reserve Board for an issue of Federal Reserve notes there would seem to be little probability of any real risk to the Government's credit by the issuance of such notes, which furnish, as above stated, the desired elasticity to our currency system and little probability of undue inflation, with such safeguards thrown around such issue in addition to the requirements that Federal Reserve banks shall maintain a 40% Government reserve against such notes and shall constitute a first lien on the assets of the Federal Reserve Bank.

Another important improvement in the matter of supervision will result from the provision relating to examination of member banks. Under the old fee system by which examiners outside of reserve cities were paid fees ranging from \$20 to \$75, according to the capital stock of the bank examined, a country examiner not infrequently was required to examine banks with gross assets of seven or eight million dollars for the sum of \$75 whereas in a reserve city he would receive eight or ten times this sum for an examination of a similar bank. The country examiner, having to travel from place to place, could not afford to carry with him the same clerical force that would be used by examiners in reserve cities and he must either spend a number of days in the bank making such an examination at a pecuniary loss to himself or must make a less thorough and careful examination than he would otherwise have made and than the situation really called for.

The abolition of the fee system and the authority vested in the Federal Reserve Board to fix the salaries of all examiners will result in increasing the efficiency of examinations.

In addition to the examinations made under the direction of the Comptroller of the Currency, Federal Reserve banks may, with the approval of the Federal Reserve Agent or of the Federal Reserve Board, provide for special examinations of member banks within its district and the Federal Reserve Bank making such examination, or causing it to be made, is required to furnish to the Federal Reserve Board such information as may be demanded concerning the condition of any member bank within the district, and the Federal Reserve banks themselves shall, at least once a year, be examined under the direction of the Federal Reserve Board.

## Collection of Foreign Items.

Another great advantage which will accrue to the member banks as a result of the establishment of this system is the collection of foreign or out-of-town items. While the subject of clearing items for so many banks and over so large a territory is one which in itself will require most careful study in placing it in operation, and one which might be made the subject of a discussion of some length, it must be apparent to those familiar with it that the establishment of twelve distinct Federal Reserve banks, serving member banks of twelve distinct districts, will furnish a machinery which will greatly reduce the average time of making collections. To illustrate: Five banks in the City of Columbus might on the same day receive for deposit five different items drawn on the same bank in California. Under existing conditions those five items might be sent to five different correspondents and might each take a separate and distinct route in going from Columbus to California so that the return from the items drawn on the same point might each be received at a different time.

This is manifest because one bank in Columbus might send it to its correspondent in New York, which in turn might send it to its correspondent in Chicago, which in turn might send it to its correspondent elsewhere, and the item would normally be kept in transit until it reached a bank which happened to be a correspondent of the bank on which the item was drawn or else reached the city in which the bank is located against which the item was drawn and is presented by some other bank in that city. Another bank might send its item for collection through an entirely different set of correspondent banks.

When the Federal Reserve banks have been established, however, and the machinery has been worked out for the handling of such items all the items from Columbus could go at once to the Federal Reserve bank of its district in Cleveland, from the Federal Reserve bank of Cleveland direct to the Federal Reserve Bank of San Francisco, and assuming that they are drawn on member banks the Federal Reserve Bank of San Francisco would necessarily be a correspondent of the bank in question. Consequently, the saving in the average time collection of foreign items will unquestionably be very great and the loss of the use of funds in transit will be correspondingly reduced.

I have endeavored to touch only briefly on some of the advantages of the Federal Reserve Act which grow out of the more fundamental or basic changes in our system of banking and currency. There are many incidental advantages and benefits which I will not attempt to enumerate.

The history of this legislation clearly demonstrates that it is the result of calm and deliberate consideration; that the important and vital elements involved have been made the subject of most careful and earnest study on the part of our legislators; that the interests of the banks, the public and the Government each have been fully and carefully weighed. This study and thought is apparent not only in the substantive amendments to the law but also in the provisions for carrying such changes or amendments into effect. For example, in providing for the transfer of reserve from other banks to the Federal Reserve banks, and for the change generally from the operation of national banks under the national bank laws to the operation under these laws as amended by the Federal Reserve Act, Congress has adopted every possible precaution to avoid any unwarranted or unnecessary disturbance of existing conditions in the matter of the transfer of funds and with a view of avoiding the necessity for undue contraction of credits. Three years is allowed for the gradual transfer of reserve deposits from the present approved reserve agents to the Federal Reserve banks and the amount to be maintained is reduced from 25 to 18% of their demand deposits by banks in central reserve cities, from 25 to 15% of banks in reserve cities, and from 15 to 12% in banks outside of reserve or central reserve cities.

This gradual transfer of funds will not seriously affect or embarrass any member bank but in order to still further obviate the necessity for undue contraction of credits, the Act permits Federal Reserve banks to accept as reserve not exceeding one-half of each instalment in eligible paper properly endorsed and acceptable to the Federal Reserve Bank. In other words, it permits the Federal Reserve Bank simultaneously to lend to the member bank as re-



discount one-half of the instalments called for in the transfer of reserve.

In the same manner, payment of the subscriptions to the capital stock is arranged for in order not to embarrass or work any hardship upon the member bank since an amount equal to only 1% of its capital and surplus is required to be paid on call of each instalment.

When it is borne in mind that the Federal Reserve Act amends and supplements the National Bank Act but does not supersede or displace the National Bank Act as a whole the meaning and effect of its provisions are more easily understood. The provisions of the National Bank Act with the amendments referred to and other less important amendments are still in force and the operation of the national banks will be conducted in the main as heretofore.

As stated before, the Organization Committee will in a short time complete its work and the Federal Reserve banks will be placed in actual operation. Those who represent the banks which have become members of the system are aware that the member banks in each district are now engaged in electing the class "A" and class "B" directors, and as a matter of current interest I am glad to take this opportunity of explaining a little more in detail than is possible within the limits of a circular the method of election of such directors.

In each district the banks have been classified in accordance with the provisions of the Act into three general groups or divisions, Group No. 1 containing approximately one-third of the aggregate number of banks in the district having the largest capitalization; Group No. 2 having approximately one-third of the banks with the next largest capitalization; and Group No. 3 containing approximately one-third of the member banks having the smallest capitalization.

Certificates have been sent to each one of the member banks for use in certifying the name of their district reserve elector who will exercise the voting privilege for the bank electing him as elector.

Certificates have also been sent to each member bank for use in reporting to the Committee the nominee of such bank for one class "A" director and the nominee for one class "B" director.

On the 22nd of this month lists will be prepared of the nominees of each group and these lists showing the name of the nominees and the banks placing them in nomination will constitute the preferential ballot referred to in the statute. This ballot will be sent to each district reserve elector who will indicate thereon his first, second and third choices for a class "A" director and on similar ballot his first, second and third choices for a class "B" director. Each elector will, of course, vote only on the nominees of his own group.

When the class "A" and the class "B" directors have been elected and the Federal Reserve Board has appointed the three class "C" directors for each Federal Reserve Bank, the board of nine thus constituted will be convened and organized in each district and this board will take over and complete the organization of each Federal Reserve Bank. That is to say, each board will meet and adopt by-laws governing its conduct, will select the necessary officers and employees, and procure suitable quarters for carrying on the business of a Federal Reserve Bank.

The duty and responsibility of a director of a Federal Reserve Bank will be of the same general character with an added degree of responsibility as the duties and responsibilities of directors of national or member banks.

Section 4 of the Federal Reserve Act provides among other things:

"Every Federal Reserve Bank shall be conducted under the supervision and control of a board of directors.

"The board of directors shall perform the duties usually appertaining to the office of directors of banking associations and all such duties as are prescribed by law.

"Said board shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks and shall, subject to the provisions of law and the orders of the Federal Reserve Board, extend to each member bank such discounts, advancements and accommodations as may be safely and reasonably made

with due regard for the claims and demands of other member banks."

The classification of directors into class "A" and class "B" and class "C" was, as suggested above, for the purpose of insuring a distinctively representative board. In other words, it will be observed that class "A" directors consist of representatives of the banks or those who are entrusted with the funds of the business public for investment; that class "B" consists of representatives of the public who are furnishing these funds, and class "C" consists of representatives of the Government, which undertakes to supervise the proper and conservative investment of such funds. It must be remembered, however, that while these three interests are representative that the board when organized is a unit. The grouping or classification relates only to the manner of election and not to their status after election. When by election by the member banks or by appointment by the Federal Reserve Board the candidates become members of the board of directors of the Federal Reserve banks, the duties and obligations of each member are the same. The board will select its own officers and employees including probably a president, a cashier or manager, and other necessary officers.

It is true that the Chairman or Federal Reserve Agent and the Deputy Chairman or Deputy Federal Reserve Agent, who are members of the board, occupy dual capacities in that they are the local representatives of the Federal Reserve Board in addition to being members of the board of directors. As members, however, of the board of directors their duties are similar to the duties of the class "A" and class "B" directors.

The position of a director of a Federal Reserve Bank is not an honorary one. He will be called upon to take part in the management of the Federal Reserve Bank when such institution is still in a constructive period, and the men first selected should be men of constructive ability who can and will assist in placing in operation the new system on a proper basis.

It must be remembered that each member bank is not only interested as a stockholder but, as suggested above, the strength of the Federal Reserve Bank is the reserve strength of every member bank, and it would seem that the words "member bank" have a peculiarly striking significance.

The close and scientific relation between the Government, the banks and the public, which will result from the operation of the Federal Reserve system cannot fail to add to the strength of every bank which becomes a member of this system.

Experience has shown that the so-called national banking system was a system only in the sense that the individual banks were organized and operated under one general statute subject to the supervision of the office of the Comptroller of the Currency. There was lacking a proper relationship between the units, or the individual national banks, and between the banks and the Government.

Experience has also shown that individual banks cannot stand alone in a crisis; that in times of panic, while the weakest will go first, when the public alarm increases and public confidence is disturbed the stronger must follow. Competition among individual banks beyond a certain point is unwise and unscientific. For example when it results in forcing competitive banks to pay prohibitive interest rates for deposits to where such competition results in forcing a bank to indulge in speculative investment, thus endangering both through the possibility of disturbance of public confidence, which confidence is so necessary to successful banking. On the other hand combination as between individual banks without relationship through the Government frequently endangers the best interests of the banks generally, as by the establishment of a chain of banks under one control, thus making proper examination and Government supervision so difficult of accomplishment.

Membership therefore in a co-ordinated system under proper and effective Government supervision would seem to be clearly to the best interest of the banks, the public and the Government.

The Federal Reserve Act leaves the member bank free to conduct its ordinary operations in its own way subject only to such general regulations as it may be necessary to enforce for the common good.

Without any real curtailment of the powers heretofore enjoyed by national banks under the provisions of the National Bank Act, but on the other hand with enlarged powers and with added reserve resources resulting from the creation of the Federal Reserve banks, and with added reserve strength that will result from this co-ordinated system of banking, it is not unnatural that the sentiment of the banker, upon consideration and reflection, should have changed from one of criticism and doubt to one of interest and support, and this change has been abundantly demonstrated since the passage of the Act by the cooperation and interest of bankers as a whole.

It has been a very great pleasure and privilege to be connected with the Committee empowered by law to take the preliminary steps necessary to place this great system in operation, and it must be a source of gratification to those who had the courage to undertake and put through such important constructive legislation to observe the sentiment of the banking public and the support that it has generally received which is so certain to insure its success.

## Nominees for Directors Federal Reserve Districts

### BANKS IN FEDERAL RESERVE DISTRICT NO. 1. NOMINEES FOR CLASS "A."

#### Group No. 1.

Thomas P. Beal, Boston, Mass.; Alfred L. Ripley, Andover, Mass.; Harold W. Stevens, Hartford, Conn.; Charles C. Harrington, Providence, R. I.; William A. Gaston, Boston, Mass.; C. G. Sanford, Bridgeport, Conn.; Elijah C. Johnson, Hartford, Conn.; Michael F. Dooley, Providence, R. I.; Alexander E. Little, Lynn, Mass.; H. H. Bowman, Springfield, Mass.; Alfred L. Aiken, Worcester, Mass.; Arthur M. Heard, Manchester, N. H.; Herbert K. Hallett, Boston, Mass.

#### Group No. 2.

William A. Gaston, Boston, Mass.; Ebenezer J. Hill, Norwalk, Conn.; C. G. Sanford, Bridgeport, Conn.; Arthur M. Heard, Manchester, N. H.; Thomas P. Beal, Boston, Mass.; Henry F. Field, Rutland, Vt.; F. W. Adams, Bangor, Me.; Daniel E. Wing, Boston, Mass.; C. P. Smith, Burlington, Vt.; Henry B. Little, Newburyport, Mass.; H. K. Hallett, Boston, Mass.; H. H. Bowman, Springfield, Mass.; Charles E. Goodwin, Biddeford, Me.; Meigs H. Whipples, Hartford, Conn.

#### Group No. 3.

H. K. Hallett, Boston, Mass.; C. S. Hichborn, Augusta, Me.; F. B. Howard, Brockton, Mass.; Henry B. Little, Newburyport, Mass.; Francis E. Mole, Adams, Mass.; Heman Stannard, West Haven, Vt.; William H. Tinker, Bellows Falls, Vt.; Alfred L. Aiken, Worcester, Mass.; Thomas P. Beal, Boston, Mass.; A. M. Heard, Manchester, N. H.; F. W. Adams, Bangor, Me.; Henry F. Field, Rutland, Vt.; William A. Gaston, Boston, Mass.; H. H. Bowman, Springfield, Mass.; Albert Tuttle, Montpelier, Vt.

### CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 1. NOMINEES FOR CLASS "B."

#### Group No. 1.

Woodbury K. Dana, Westbrook, Maine; H. J. Brown, Portland, Maine; Charles A. Morse, Boston, Mass.; Charles G. Washburn, Worcester, Mass.; Frederic H. Payne, Greenfield, Mass.; W. Murray Crane, Dalton, Mass.; E. O. Smith, Storrs, Conn.; Rollin S. Woodruff, New Haven, Conn.; Henry B. Sargent, New Haven, Conn.; Eugene W. Mason, Providence, R. I.; James M. Prendergast, Boston, Mass.; Kenyon L. Butterfield, Amherst, Mass.; Charles F. Cotter, Lynn, Mass.; Walter S. Hackney, Providence, R. I.; Ebenezer J. Hill, Norwalk, Conn.; William H. Hoffman, Providence, R. I.; John A. Knowles, Boston, Mass.; Ralph C. Watrous, Providence, R. I.

#### Group No. 2.

W. Murray Crane, Dalton, Mass.; Charles A. Morse, Boston, Mass.; H. J. Brown, Portland, Me.; E. A. Morse, Proctor, Vt.; Frederic H. Payne, Greenfield, Mass.; Henry B. Sargent, New Haven, Conn.; E. O. Smith, Storrs, Conn.; Charles G. Washburn, Worcester, Mass.; W. B. Stevens, Deep River, Conn.; Charles E. Ward, Buckland, Mass.; Job Manchester, Anthony, R. I.; J. M. Prendergast, Boston, Mass.; Charles E. Goodwin, Biddeford, Me.

#### Group No. 3.

Henry B. Sargent, New Haven, Conn.; H. J. Brown, Portland, Me.; Charles G. Washburn, Worcester, Mass.; E. A. Morse, Proctor, Vt.; W. Murray Crane, Dalton, Mass.; E. O. Smith, Storrs, Conn.; Jos. A. DeBoer, Montpelier, Vt.; Chas. F. Remington, Charlestown, N. H.; Arthur B. Daniels, Adams, Mass.; Charles M. Davis, Northfield, Vt.; Orville O. Hitchcock, Rutland, Vt.

### CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 2. NOMINEES FOR CLASS "A."

#### Group No. 1.

William Woodward, New York, N. Y.; Robert H. Treman, Ithaca, N. Y.; Homer P. Snyder, Little Falls, N. Y.; John C. Leggett, Cuba, N. Y.

#### Group No. 2.

John C. Leggett, Cuba, N. Y.; Robert H. Treman, Ithaca, N. Y.; William Woodward, New York, N. Y.; Franklin D. Locke, Buffalo, N. Y.; Frank A. Hotchkiss, Millerton, N. Y.; John C. Van Cleaf, New York, N. Y.; T. A. Canfield, Kingston, N. Y.; Josiah W. Place, New York, N. Y.; Casper V. Gunther, Brooklyn, N. Y.; Bradford Rhodes, Scarsdale, N. Y.; F. E. Lyford, Waverly, N. Y.

#### Group No. 3.

Daniel D. Woodard, Granville, N. Y.; Franklin D. Locke, Buffalo, N. Y.; Josiah W. Place, New York, N. Y.; H. C. Brewster, Rochester, N. Y.; Edgar P. Foster, Amityville, N. Y.; Lester W. Burdick, Gouverneur, N. Y.; Clare Willard, Allegany, N. Y.; Richard Delafield, New York, N. Y.; James B. Crowell, Wallkill, N. Y.; J. M. Cheesman, Greenwood, N. Y.; F. E. Lyford, Waverly, N. Y.

### CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 2. NOMINEES FOR CLASS "B."

#### Group No. 1.

Henry R. Towne, New York, N. Y.; Edward Outerbridge, New York, N. Y.; William Brewster, Long Island City, N. Y.; David H. Burrell, Little Falls, N. Y.; George C. Rosa, Wellsville, N. Y.; Francis F. Peabody, Troy, N. Y.

#### Group No. 2.

William Brewster, Long Island City, N. Y.; William B. Thompson, Yonkers, N. Y.; Willett H. Vary, Watertown, N. Y.; F. F. Peabody, Troy, N. Y.; John Wanamaker, New York, N. Y.; Whitman H. Jordan, Ithaca, N. Y.; H. C. Winttingham, Millerton, N. Y.; Leslie R. Palmer, Croton-on-Hudson, N. Y.; Henry Fattton, Mamaroneck, N. Y.; Jacob Rice, Kingston, N. Y.

#### Group No. 3.

Willett H. Vary, Watertown, N. Y.; Leslie R. Palmer, Croton-on-Hudson, N. Y.; Andrew Bown, E. Rochester, N. Y.; Frank McAully, Greenwood, N. Y.; Anning S. Prall, Port Richmond, N. Y.; F. F. Peabody, Troy, N. Y.; J. L. Smithers, Morristown, N. Y.; Carl S. Burr, Commack, N. Y.

### CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL DISTRICT NO. 3. NOMINEES FOR CLASS "A."

#### Group No. 1.

William H. Peck, Scranton, Pa.; Henry G. Parker, New Brunswick, N. J.; George H. Stewart, Shippensburg, Pa.; Charles J. Rhoads, Philadelphia, Pa.; Joseph Wayne, Jr., Philadelphia, Pa.; Alvan S. Conner, Fish Kill, Del.; Hamilton Fish Keen, Union, N. J.; William M. Van Deusen, Newark, N. J.; Warren A. Wilbur, South Bethlehem, Pa.; M. I. McCreight, Dubois, Pa.; Robert D. Foote, Morristown, N. J.; Charles Evans, Atlantic City, N. J.; David Barry, Johnstown, Pa.; Richard L. Austin, Philadelphia, Pa.

#### Group No. 2.

David Barry, Johnstown, Pa.; W. H. Peck, Scranton, Pa.; H. G. Parker, New Brunswick, N. J.; Charles J. Rhoads, Philadelphia, Pa.; Edwin S. Stuart, Philadelphia, Pa.; George H. Stewart, Shippensburg, Pa.; Joseph Wayne, Jr., Philadelphia, Pa.; Warren A. Wilbur, South Bethlehem, Pa.; Patrick J. Devlin, Matawan, N. J.; Jesse H. Esbb, Girardville, Pa.; J. Watson Craft, Ambler, Pa.; S. C. Jayne, Berwick, Pa.; M. J. Murphy, Scranton, Pa.; L. Rue, Philadelphia, Pa.; E. C. Stokes, Trenton, N. J.; Charles Schwed, Somerville, N. J.

#### Group No. 3.

George Stewart, Chambersburg, Pa.; William H. Peck, Scranton, Pa.; H. G. Parker, New Brunswick, N. J.; Joseph Moore, Jr., Philadelphia, Pa.; M. J. Murphy, Scranton, Pa.; David Barry, Johnstown, Pa.; William H. Van Deusen, Newark, N. J.; Warren A. Wilbur, South Bethlehem, Pa.; A. D. Ambusher, Camden, N. J.; J. W. Beers, Marysville, Pa.; Charles Evans, Atlantic City, N. J.; J. Snowden Haines, Burlington, N. J.; Hamilton F. Keen, Union, N. J.; J. Newton Peck, Philadelphia, Pa.; Valentine W. Quigel, Hegins, Pa.; J. Lord Rigby, Media, Pa.; M. W. Sechler, Codorus, Pa.; Foster M. Voorheer, Elizabeth, N. J.; Joseph Wayne, Jr., Philadelphia, Pa.; Landreth L. Layton, Georgetown, Del.; Oscar J. Rhoads, Philadelphia, Pa.; Henry Wells, Riegelsville, Pa.

### CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 3. NOMINEES FOR CLASS "B."

#### Group No. 1.

C. Edward Murray, Trenton, N. J.; William G. Coxe, Wilmington, Del.; Harry Ferguson, Hoboken, N. J.; W. J. Richards, Pottsville, Pa.; Harry A. Richardson, Dover, Del.; Daniel Coolidge, Johnstown, Pa.; M. I. McCreight, DuBois, Pa.; Walter Parker Runyon, Perth Amboy, N. J.; J. A. McBride, Sussex, N. J.; Charles H. Dorfinger, White Mills, Pa.; Edwin L. Stuart, Philadelphia, Pa.; Alba B. Johnson, Philadelphia, Pa.

#### Group No. 2.

William G. Coxe, Wilmington, Del.; Edwin S. Stuart, Philadelphia, Pa.; W. J. Richards, Pottsville, Pa.; John Hamilton, State College, Pa.; G. Edward Murray, Trenton, N. J.; Alba B. Johnson, Philadelphia, Pa.; Thomas A. Derrick, Newville, Pa.; Burwell Nimmons, Millersburg, Pa.; Joseph Wayne, Jr., Philadelphia, Pa.; Henry Wolf, Mt. Wolf, Pa.; William H. Peck, Scranton, Pa.; Joshua E. Webster, Three Tuns, Pa.; William L. Saunders, Plainfield, N. J.; Charles E. Conover, Wickatunk, N. J.; A. C. Albrecht, Philadelphia, Pa.; Joseph S. Frelinghuysen, Raritan, N. J.; John C. Higgins, Delaware City, Del.; George H. Stewart, Chambersburg, Pa.; Ralph L. Watts, State College, Pa.; George G. Coxe, Wilmington, Del.; M. I. McCreight, DuBois, Pa.; Charles Schwed, Somersville, N. J.

#### Group No. 3.

M. I. McCreight, DuBois, Pa.; E. McG. Africa, Huntingdon, Pa.; Henry Wolf, Mt. Wolf, Pa.; Alba Johnson, Philadelphia, Pa.; Henry W. Leads, Atlantic City, N. J.; W. J. Richards, Pottsville, Pa.; Edwin S. Stuart, Philadelphia, Pa.; George W. F. Gaunt, Mullica Hill, N. J.; William G. Coxe, Wilmington, Del.; Hugh B. Pierce, Bound Brook, N. J.; Charles A. Reading, Frenchtown, N. J.; Charles G. Roebeling, Trenton, N. J.; W. P. Runyon, Perth Amboy, N. J.; W. L. Saunders, Plainfield, N. J.; S. T. Waidlich, New Tripoli, Pa.; Samuel N. Hill, Markham, Pa.; William Hager, Lancaster, Pa.; J. A. Seidel, Marysville, Pa.



Frank W. Simmons, Williamsport, Pa.; M. J. Murphy, Scranton, Pa.; Charles J. Tyson, Flora Dale, Pa.; William S. Lager, Lancaster, Pa.; C. C. Kimmel, Carlisle, Pa.; William H. Smith, Reading, Pa.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 4. NOMINEES FOR CLASS "A."**

**Group No. 1.**  
E. R. Faucher, Cleveland, Ohio; T. H. Wilson, Cleveland, Ohio; B. J. Westcott, Springfield, Ohio; Frank M. Wallace, Erie, Pa.; W. S. Rowe, Cincinnati, Ohio; Robert Wardrop, Pittsburgh, Pa.

**Group No. 2.**  
Harrison Nesbit, Pittsburgh, Pa.; Robert Wardrop, Pittsburgh, Pa.; W. S. Rowe, Cincinnati, Ohio; S. B. Rankin, South Charleston, Ohio; J. Sharp Wilson, Beaver, Pa.; W. P. Sharer, Zanesville, Ohio; W. A. Graham, Sidney, Ohio; Thomas E. Poe, Beaver, Pa.; C. Lamberton, Franklin, Pa.; J. W. Boyd, Middletown, Ohio; F. J. Carroll, Bucyrus, Ohio; John R. Byrne, Scottsdale, Pa.; O. N. Sams, Hillsboro, Ohio; H. H. Harlan, Mt. Gilead, Ohio; S. T. Harris, Stanford, Ky.; W. S. Kent, Kent, Ohio; W. E. Williams, Jackson, Ky.; Jonas J. Hulse, Upper Sandusky, Ohio; Charles D. Grubbs, Mt. Sterling, Ky.; A. S. Frazer, Zenia, Ohio.

**Group No. 3.**  
Charles C. Woods, Elm Grove, W. Va.; Homer H. Andrews, Clymer, Pa.; Robert Wardrop, Pittsburgh, Pa.; W. S. Rowe, Cincinnati, Ohio; Thomas E. Poe, Midland and Beaver, Pa.; S. B. Rankin, S. Charleston, Ohio; J. B. Downing, Middleport, Ohio; Avery Markland, Cheviot, Ohio; Eugene Woods, Sligo, Pa.; C. H. Hyman, Payne, Ohio; Edward W. Crook, Hicksville, Ohio; James J. McFarlin, Girard, Ohio; Isaiah Good, Somerset, Pa.; John A. Black, Barboursville, Ky.; Custer Jones, Cannel City, Ky.; A. B. Patrick, Salsversville, Ky.; J. M. McDonald, North East, Pa.; Harrison Nesbit, Pittsburgh, Pa.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 4. NOMINEES FOR CLASS "B."**

**Group No. 1.**  
Henry M. Garlick, Youngstown, Ohio; Thomas A. Combs, Lexington, Ky.; Harry Coulby, Cleveland, Ohio; T. H. B. McKnight, Pittsburgh, Pa.; E. L. McClain, Greenfield, Ohio; Earl C. Derby, Columbus, Ohio; L. F. Kiesewetter, Columbus, Ohio; W. H. Stachhouse, Springfield, Ohio; J. M. Bemis, Warren, Pa.; Thomas Wilson, Cleveland, Ohio; Harry McCrery, Indiana, Pa.; S. B. Rankin, South Charleston, Ohio.

**Group No. 2.**  
C. H. Bagley, Corry, Pa.; Thomas A. Combs, Lexington, Ky.; E. L. McClain, Greenfield, Ohio; G. L. Kirkpatrick, Mt. Sterling, Ky.; J. B. Foster, Stanford, Ky.; L. W. Olds, Corry, Pa.; Alexander Gillilan, Bridgeville, Pa.; Edward Pitcairn, Pittsburgh, Pa.; Albert Herzog, St. Marys, Ohio; Horace Ankeney, Xenia, Ohio; Frank L. Beam, Mt. Vernon, Ohio.

**Group No. 3.**  
A. B. Patrick, Salsversville, Ky.; D. W. Kerr, Niles and Warren, Ohio; Charles R. Gibson, Caldwell, Ohio; Thomas A. Combs, Lexington, Ky.; E. S. Hoopes, Beaver, Pa.; William M. Neiheisel, Green, Ohio; H. M. Garlick, Youngstown, Ohio; William Hiezel, Hicksville, Ohio; W. S. Craft, Uniontown, Pa.; Peter Dumbauld, Somerset, Pa.; Edward Pitcairn, Kittanning, Pa.; Henry C. Hartenbaugh, Monaca, Pa.; W. W. Evans, Barboursville, Ky.; J. B. Downing, Middleport, Ohio; W. M. Gardner, West Liberty, Ky.; James J. McFarland, Girard, Ohio; Thomas E. Poe, Midland, Pa.; E. T. Morton, Connelville, Pa.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 5. NOMINEES FOR CLASS "A."**

**Group No. 1.**  
Waldo Newcomer, Baltimore, Md.; George J. Seay, Richmond, Va.; John F. Bruton, Wilson, N. C.; Edwin Mann, Bluefield, W. Va.; Edward Mann, Bluefield, W. Va.; Nathaniel Beaman, Norfolk, Va.; P. M. Robinson, Clarksburg, W. Va.

**Group No. 2.**  
John F. Bruton, Wilson, N. C.; Edwin Mann, Bluefield, W. Va.; Waldo Newcomer, Baltimore, Md.

**Group No. 3.**  
Edwin Mann, Bluefield, W. Va.; John F. Bruton, Wilson, N. C.; J. P. Matthew, Columbia, S. C.; Meade C. Frichard, Charleston, W. Va.; A. M. McKeever, Romney, W. Va.; Waldo Newcomer, Baltimore, Md.; James Capehart, Point Pleasant, W. Va.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 5. NOMINEES FOR CLASS "B."**

**Group No. 1.**  
Waldo Newcomer, Baltimore, Md.; George J. Seay, Richmond, Va.; D. R. Coker, Hartsville, S. C.; James F. Oyster, Washington, D. C.; Robert Morris, Clarksburg, W. Va.

**Group No. 2.**  
D. R. Coker, Hartsville, S. C.; George J. Seay, Richmond, Va.; G. S. McKinney, Fairmont, W. Va.; Giles Cook, Jr., Front Royal, Va.

**Group No. 3.**  
James F. Oyster, Washington, D. C.; D. R. Coker, Hartsville, S. C.; Edw. C. Wilson, North East, Md.; Samuel Stephenson, Charleston, W. Va.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 6. NOMINEES FOR CLASS "A."**

**Group No. 1.**  
L. P. Hillyer, Macon, Ga.; W. R. Cole, Nashville, Tenn.; A. G. Parrish, Selma, Ala.; F. W. Foote, Hattiesburg, Miss.; Thomas R.

Preston, Chattanooga, Tenn.; H. M. Johnston, Knoxville, Tenn.; L. B. Farley, Montgomery, Ala.; G. H. Malone, Dothan, Ala.; J. A. Griffin, Tampa, Fla.; Wesley Drane, Clarksville, Tenn.; A. M. Baldwin, Montgomery, Ala.

**Group No. 2.**  
Edward W. Lane, Jacksonville, Fla.; F. W. Foote, Hattiesburg, Miss.; L. P. Hillyer, Macon, Ga.; W. H. Milton, Marianna, Fla.; E. E. Beard, Lebanon, Tenn.; F. S. Etheridge, Jackson, Ga.; F. C. Stratton, Lebanon, Tenn.; A. M. Baldwin, Montgomery, Ala.

**Group No. 3.**  
McLane Tilton, Jr., Pell City, Ala.; W. H. Toole, Windsor, Ga.; G. H. Malone, Dothan, Ala.; Edward Lane, Jacksonville, Fla.; F. S. Etheridge, Jackson, Ga.; L. P. Hillyer, Macon, Ga.; J. A. Susong, Newport, Tenn.; O. B. Quin, McComb, Miss.; J. H. Carmichael, Jackson, Ga.; E. B. Lewis, Alachua, Fla.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 6. NOMINEES FOR CLASS "B."**

**Group No. 1.**  
C. P. Kendall, Jacksonville, Fla.; P. H. Saunders, New Orleans, La.; Ben A. Morton, Knoxville, Tenn.; Frank D. Kohn, Montgomery, Ala.; J. B. Ellis, Selma, Ala.; John B. Legard, Anniston, Ala.; T. D. Tinsley, Macon, Ga.; Martin F. Ammons, Atlanta, Ga.; Richard Hardy, Chattanooga, Tenn.; Bruce Keener, Knoxville, Tenn.; G. T. Hughes, Columbia, Tenn.

**Group No. 2.**  
J. B. McCrary, Atlanta, Ga.; J. A. McCrary, Decatur, Ga.; Wm. Chase Temple, Winter Park, Fla.; A. H. Merrill, Euflaula, Ala.; W. Gettys, Athens, Tenn.; B. H. Wilkins, Tullahoma, Tenn.; H. C. McFarland, Nashville, Tenn.; D. S. Riddle, Tullahoma, Tenn.; D. B. Clayton, Lewisburg, Tenn.; W. R. Call, Nashville, Tenn.; M. W. Kelley, Columbus, Ga.; A. C. Darling, Andalusia, Ala.; C. P. Kendall, Jacksonville, Fla.; Paul Saunders, New Orleans, La.

**Group No. 3.**  
Allan Harlan, Columbia, Tenn.; W. H. Hartford, Nashville, Tenn.; C. P. Kendall, Jacksonville, Fla.; John B. Lagarde, Anniston, Ala.; J. A. McCrary, Atlanta, Ga.; J. B. McCrary, Decatur, Ga.; M. W. Kelley, Columbus, Ga.; Wm. Fisher, Pensacola, Fla.; J. A. Grant, Alto, Ga.; John N. Holder, Jefferson, Ga.; N. C. Blanchard, Chattanooga, Tenn.; W. J. Howard, Columbia, Tenn.; R. S. Hazen, Knoxville, Tenn.; W. R. Cole, Nashville, Tenn.; W. J. Davis, Jackson, Miss.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 7. NOMINEES FOR CLASS "A."**

**Group No. 1.**  
George M. Reynolds, Chicago, Ill.; George B. Reynolds, Chicago, Ill.; James B. Forgan, Chicago, Ill.; E. L. Johnson, Waterloo, Ia.; James M. McIntosh, Indianapolis, Ind.; Stoughton A. Fletcher, Indianapolis, Ind.; A. F. Dawson, Davenport, Ia.; J. G. Rounds, Des Moines, Ia.

**Group No. 2.**  
James B. Forgan, Chicago, Ill.; E. L. Johnson, Waterloo, Ia.; G. N. Reynolds, Chicago, Ill.; J. M. McIntosh, Indianapolis, Ind.; A. F. Dawson, Davenport, Ia.; J. G. Rounds, Des Moines, Ia.; R. R. Wallace, Hamilton, Ill.; A. W. Kopp, Plattville, Wis.; Clay H. Hollister, Grand Rapids, Mich.; Myron Campbell, Chicago, Ill.; W. W. Layton, Covington, Ind.; Frank B. Stitt, El Paso, Ill.; F. T. Neff, Marseilles, Ill.; Ralph N. Ballou, Naperville, Ill.; George B. Reynolds, Chicago, Ill.; B. R. Hieronymus, Springfield, Ill.

**Group No. 3.**  
E. L. Johnson, Waterloo, Ia.; J. M. McIntosh, Indianapolis, Ind.; J. G. Rounds, Des Moines, Ia.; James B. Forgan, Chicago, Ill.; John McHugh, Sioux City, Ia.; R. N. Ballou, Naperville, Ill.; R. R. Wallace, Hamilton, Ill.; Horace M. Olney, Hartford, Mich.; A. F. Dawson, Davenport, Ia.; George M. Reynolds, Chicago, Ill.; S. A. Fletcher, Indianapolis, Ind.; Brighton A. Fletcher, Indianapolis, Ind.; Irving Shuman, Chicago, Ill.; William Butterworth, Moline, Ill.; Jesse M. Ott, Petersburg, Ill.; Jarret Echelbarger, Swayzee, Ind.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A" AND CLASS "B" DIRECTORS BY MEMBER BANKS IN FEDERAL RESERVE DISTRICT NO. 7. NOMINEES FOR CLASS "B."**

**Group No. 1.**  
Robert Bracken, Frankfort, Ind.; James B. Forgan, Chicago, Ill.; Robert D. Clark, Peoria, Ill.; J. V. Farrell, Chicago, Ill.; Robert Fullerton, Des Moines, Ia.; Henry B. Joy, Detroit, Mich.; William Butterworth, Moline, Ill.; M. B. Hutchinson, Ottumwa, Ia.; Clarence A. Knapp, Sioux City, Ia.; George McLean, Dubuque, Ia.; Frank K. Robeson, Champaign, Ill.

**Group No. 2.**  
Robert Bracken, Frankfort, Ind.; William Butterworth, Moline, Ill.; M. B. Hutchinson, Ottumwa, Ia.; Henry B. Joy, Detroit, Mich.; Charles W. Camp, Garrett, Ind.; R. D. Clarke, Peoria, Ill.; H. F. Denny, Augusta, Ill.; John V. Farrell, Chicago, Ill.; J. B. Forgan, Chicago, Ill.; A. B. Funk, Spirit Lake, Ia.; William D. Heard, Fort Atkinson, Wis.; R. F. Knott, Marseilles, Ill.; Clyde L. Leesby, Chicago, Ill.; John H. McGibbon, Chicago, Ill.; John B. Michels, El Paso, Ill.; Wm. Redhed, Jr., Tolom, Ill.; J. C. Vaughn, Chicago, Ill.; H. C. Weisel, Alada, Ill.

**Group No. 3.**  
Robert Bracken, Frankfort, Ind.; William Butterworth, Moline, Ill.; R. D. Clarke, Peoria, Ill.; James B. Forgan, Chicago, Ill.; M. B. Hutchinson, Ottumwa, Ia.; Henry B. Joy, Detroit, Mich.; John H. McGibbon, Chicago, Ill.; August H. Vogel, Milwaukee, Wis.; Hon. Chas. Adkins, Bement, Ill.; T. B. Burris, Cloverdale, Ind.; Israel Dudgeon, Morris, Ill.; John V. Farrell, Chicago, Ill.; Ernest C. Fie, George, Ia.; A. B. Funk, Spirit Lake, Ia.; John Grant, Preston, Ia.; E. T. Meredith, Des Moines, Ia.; Homer S. Thomas, Conrad, Ia.



**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 8.  
NOMINEES FOR CLASS "A."**

**Group No. 1.**  
Walker Hill, St. Louis, Mo.; H. Frank J. Ricker, Quincy, Ill.;  
F. W. Crane, Quincy, Ill.; F. O. Watts, St. Louis, Mo.; J. A.  
Omberg, Memphis, Tenn.; Oscar Fenley, Louisville, Ky.

**Group No. 2.**  
F. O. Watts, St. Louis, Mo.; E. E. Mitchell, Carbondale, Ill.;  
W. C. McChord, Jr., Springfield, Ill.; R. B. Price, Sr., Columbia,  
Mo.; J. A. Omberg, Memphis, Tenn.

**Group No. 3.**  
Oscar Finley, Louisville, Ky.; Walker Hill, St. Louis, Mo.;  
Percy H. Johnston, Louisville, Ky.; Henry Reis, Evansville, Ind.;  
W. Milton Berry, Irving, Ill.; F. O. Watts, St. Louis, Mo.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 8.  
NOMINEES FOR CLASS "B."**

**Group No. 1.**  
Max B. Nahm, Bowling Green, Ky.; J. A. Crawford, Heathman,  
Miss.; Leroy Percy, Greenville, Miss.; Murray Carlton, St. Louis,  
Mo.; W. B. Plunkett, Little Rock, Ark.

**Group No. 2.**  
Murray Carlton, St. Louis, Mo.; Wm. N. Goldhamer, Benton,  
Ill.; Leroy Percy, Greenville, Miss.; A. K. Elles, Herrin, Ill.;  
Geo. W. Fithian, Newton, Ill.; Ben F. Simms, Springfield, Ky.;  
Omar D. Gray, Sturgeon, Mo.; W. B. Plunkett, Little Rock, Ark.

**Group No. 3.**  
Murray Carlton, St. Louis, Mo.; Leroy Percy, Greenville, Miss.;  
Wm. T. Moore, Mitchell, Ind.; Max B. Nahm, Bowling Green,  
Ky.; N. S. Gny, Scottsville, Ky.; C. C. Hammack, Sturgis, Ky.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 9.  
NOMINEES FOR CLASS "A."**

**Group No. 1.**  
Edward W. Decker, Minneapolis, Minn.; L. B. Hanna, Fargo,  
No. Dak.; E. H. Bailey, St. Paul, Minn.; H. Von der Weyer,  
St. Paul, Minn.; Joseph W. Salden, Calumet, Mich.; D. A. McCaw,  
Livingston, Mont.; S. Strauss, Albert Lea, Minn.; Joseph Chapman,  
Minneapolis, Minn.; J. C. Bassett, Aberdeen, So. Dak.; F. C. C.  
Danforth, Parker, So. Dak.; H. G. Hambright, Marshfield, Wyo.;  
Henry Boyle, Fond du Lac, Wis.; George Beyer, Oconto, Wis.;  
Gustave A. Blesch, Menominee, Mich.; L. W. Oberhauser, Frazee,  
Minn.

**Group No. 2.**  
L. B. Hanna, Fargo, No. Dak.; E. W. Decker, Minneapolis,  
Minn.; F. P. Dixon, La Crosse, Wis.; Henry E. Rohlf, Hayward,  
Wis.; Harold Thorson, Drake, No. Dak.; O. L. Branson, Mitchell,  
So. Dak.; A. C. Johnson, Helena, Mont.

**Group No. 3.**  
J. C. Bassett, Aberdeen, So. Dak.; E. W. Decker, Minneapolis,  
Minn.; L. B. Hanna, Bismarck, No. Dak.; M. J. Daly, Perham,  
Minn.; Isaac M. Humphrey, Rapid City, So. Dak.; Albert L.  
Smith, Helena, Mont.; O. L. Branson, Mitchell, So. Dak.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 9.  
NOMINEES FOR CLASS "B."**

**Group No. 1.**  
F. R. Bigelow, St. Paul and Minneapolis, Minn.; L. S. Donaldson,  
Minneapolis, Minn.; John H. Griffin, Minneapolis, Minn.; C. C.  
Webber, Minneapolis, Minn.; H. O. Bjonoe, Lake Park, Minn.;  
Robert Ferris, Yankton, So. Dak.; F. P. Hixon, La Crosse, Wis.;  
Norman B. Holter, Helena, Mont.; Randolph P. Miller, Iron  
Mountain, Mich.; William Mauthe, Fond du Lac, Wis.; L. N.  
Anson, Merrill, Wis.; Thomas Rildord, Suring, Wis.

**Group No. 2.**  
F. P. Hixon, La Crosse, Wis.; F. R. Bigelow, St. Paul, Minn.;  
Norman B. Holter, Helena, Mont.; W. R. Stone, Duluth, Minn.;  
Peter Norbeck, Redfield, So. Dak.; D. S. Peck, Hayward, Wis.;  
W. H. Griffin, Kalispell, Mont.

**Group No. 3.**  
Norman B. Holter, Helena, Mont.; F. R. Bigelow, St. Paul,  
Minn.; Frank P. Hixon, La Crosse, Wis.; H. R. Dennis, Sioux  
Falls, So. Dak.; J. O. Adams, Three Forks, Mont.; Norman T.  
Mason, Deadwood, So. Dak.; J. B. Sprafka, Perham, Minn.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 10.  
NOMINEES FOR CLASS "A."**

**Group No. 1.**  
Gordon Jones, Denver, Colo.; C. E. Burnham, Norfolk, Neb.;  
W. J. Bailey, Atchison, Kan.; Graham G. Lacy, St. Joseph, Mo.;  
L. E. Phillips, Bartlesville, Okla.; M. L. McClure, Kansas City,  
Mo.; J. A. Cragin, Joplin, Mo.

**Group No. 2.**  
Graham Lacy, St. Joseph, Mo.; C. E. Burnham, Norfolk, Neb.;  
W. J. Bailey, Atchison, Kan.; Gordon Jones, Denver, Colo.; C.  
W. Carey, Wichita, Kan.; C. F. McGrew, South Omaha, Neb.;  
G. W. Phillips, Columbus, Neb.; A. L. Taylor, Hastings, Neb.;  
John L. Tilton, Grant City, Mo.; Henry W. Yates, Omaha, Neb.

**Group No. 3.**  
W. J. Bailey, Atchison, Kan.; C. W. Carey, Wichita, Kan.;  
Graham G. Lacy, St. Joseph, Mo.; L. E. Phillips, Bartlesville,  
Okla.; Gordon Jones, Denver, Colo.; N. A. Lytle, Coldwater,  
Kan.; Jerome Thralls, Kansas City, Mo.; Frank Hageman, Salina,  
Kan.; P. J. White, Tulsa, Okla.; Charles F. Stuart, Pawhuska,  
Okla.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 10.  
NOMINEES FOR CLASS "B."**

**Group No. 1.**  
L. A. Wilson, El Reno, Okla.; Thomas C. Byrne, Omaha, Neb.;  
M. L. McClure, Kansas City, Mo.; C. W. Carey, Wichita, Kan.;

Gordon Jones, Denver, Colo.; H. W. Potter, La Junta, Colo.;  
J. F. Overfield, Independence, Kan.; E. R. Kemp, Tulsa, Okla.;  
D. C. Patterson, Omaha, Neb.; Fred W. Standart, Denver, Colo.;  
George Coupland, Elgin, Neb.; Alfred Beene, Ft. Collins, Colo.;  
Thos. F. Coyne, Webb City, Mo.

**Group No. 2.**  
T. C. Byrne, Omaha, Neb.; M. L. McClure, Kansas City, Mo.;  
L. A. Wilson, El Reno, Okla.; N. Z. Snell, Lincoln, Neb.; John  
J. Haas, Grant City, Mo.

**Group No. 3.**  
L. A. Wilson, El Reno, Okla.; Tom Byrne, Omaha, Neb.; J. C.  
Byrne, Omaha, Neb.; T. C. Byrne, Omaha, Neb.; Tom Burns,  
Omaha, Neb.; M. L. McClure, Kansas City, Mo.; Ward M.  
Burgess, Omaha, Neb.; W. J. Fitzgerald, Dodge City, Kan.; Fred  
W. Fleming, Kansas City, Mo.; E. A. Gregory, St. Joseph, Mo.;  
Ed. Ott, Gypsum, Kan.; C. A. Stuart, Kansas City, Mo.; J. L.  
Woodbridge, Fowler, Colo.; E. R. Kemp, Tulsa, Okla.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 11.  
NOMINEES FOR CLASS "A."**

**Group No. 1.**  
Oscar Wells, Houston, Tex.; E. K. Smith, Shreveport, La.;  
Joshua S. Reynolds, El Paso, Tex.; O. E. Dunlap, Waxahachie,  
Tex.; F. M. English, Lawton, Okla.; J. J. Culbertson, Paris, Tex.;  
Henry James, Abilene, Tex.; B. A. McKinney, Durant, Okla.;  
A. B. Dunlap, Lawton, Okla.

**Group No. 2.**  
Henry James, Abilene, Tex.; B. A. McKinney, Durant, Okla.;  
C. H. Morris, Winnboro, Tex.; J. S. Reynolds, El Paso, Tex.;  
J. F. McReynolds, Paris, Tex.; R. C. Robertson, Austin, Tex.;  
Marion Sanson; E. K. Smith, Shreveport, La.; S. W. Smith,  
Shreveport, La.; E. R. Smith, Shreveport, La.; Oscar Wells,  
Houston, Tex.

**Group No. 3.**  
Oscar Wells, Houston, Tex.; Henry James, Abilene, Tex.; J. J.  
Culbertson, Paris, Tex.; C. H. Morris, Winnboro, Tex.; J. W.  
Cochran, Livingston, Tex.; F. M. English, Lawton, Okla.; Nathan  
Jaffa, Roswell, N. Mex.; E. Key, Marshall, Tex.; John H. Seale,  
Jasper, Tex.; George E. Webb, San Angelo, Tex.; E. K. Smith,  
Shreveport, La.; B. A. McKinney, Durant, Okla.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 11.  
NOMINEES FOR CLASS "B."**

**Group No. 1.**  
J. J. Culbertson, Paris, Tex.; Frank Kell, Wichita Falls, Tex.;  
Marion Sanson, Fort Worth, Tex.; Nathan Jaffa, Roswell, N. Mex.;  
Oscar Wells, Houston, Tex.

**Group No. 2.**  
Frank Kell, Wichita Falls, Tex.; J. J. Culbertson, Paris, Tex.;  
H. A. Martin, Silver City, N. Mex.; H. L. Kokernot, San  
Antonio, Tex.; Marion Sanson, Fort Worth, Tex.; R. L. Van  
Zandt.

**Group No. 3.**  
J. J. Culbertson, Paris, Tex.; E. R. Jackson, Jasper, Tex.;  
L. O. Jackson, Omaha, Neb.; Frank Kell, Wichita Falls, Tex.;  
Marion Sanson, Fort Worth, Tex.; J. B. Mayfield, Tyler, Tex.;  
B. A. McKinney, Durant, Okla.; C. H. Morris, Winnboro, Tex.;  
Nathan Jaffa, Roswell, N. Mex.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 12.  
NOMINEES FOR CLASS "A."**

**Group No. 1.**  
C. K. McIntosh, San Francisco, Cal.; James K. Lynch, San  
Francisco, Cal.; Alden Anderson, Sacramento, Cal.; A. L. Mills,  
Portland, Oregon; George N. O'Brien, San Francisco, Cal.

**Group No. 2.**  
Alden Anderson, Sacramento, Cal.; James K. Lynch, San  
Francisco, Cal.; W. F. Adams, Salt Lake City, Utah; J. B.  
Coulston, Pasadena, Cal.; B. F. Lynip, Alturas, Cal.; C. K.  
McIntosh, San Francisco, Cal.; A. L. Mills, Portland, Oregon;  
George N. O'Brien, San Francisco, Cal.; R. E. Pratt, Kennewick,  
Wash.; G. B. Quarles, Salmon, Idaho; W. L. Thompson, Pendle-  
ton, Oregon.

**Group No. 3.**  
Alden Anderson, Sacramento, Cal.; J. B. Coulston, Pasadena,  
Cal.; J. M. Elliott, Los Angeles, Cal.; J. K. Lynch, San Francisco,  
Cal.; George N. O'Brien, San Francisco, Cal.; Culbert L. Olson,  
Salt Lake City, Utah; Benjamin E. Page, Los Angeles, Cal.; John  
Allan Park, Haywards, Cal.; Clinton Spencer, Rupert, Idaho;  
C. E. Striffler, Alhambra, Cal.; G. X. Wendling, San Francisco,  
Cal.

**CANDIDATES PLACED IN NOMINATION FOR CLASS "A"  
AND CLASS "B" DIRECTORS BY MEMBER BANKS IN  
FEDERAL RESERVE DISTRICT NO. 12.  
NOMINEES FOR CLASS "B."**

**Group No. 1.**  
A. B. Dohrman, San Francisco, Cal.; J. A. McGregor, San  
Francisco, Cal.; Wm. Levy, Reno, Nev.

**Group No. 2.**  
J. A. McGregor, San Francisco, Cal.; C. C. Chapman, Fullerton,  
Cal.; Elmer H. Cox, Madera, Cal.; A. B. C. Dohrman, San  
Francisco, Cal.; Geo. T. Odell, Salt Lake City, Utah; Arthur  
Swift, Baker, Oregon; J. J. Rudkin, Kennewick, Wash.

**Group No. 3.**  
Elmer H. Cox, Madera, Cal.; J. A. McGregor, San Francisco,  
Cal.; T. L. Puckett, Alhambra, Cal.; W. G. Drake, Alhambra,  
Cal.; A. B. C. Dohrman, San Francisco, Cal.; Abner Weed,  
Dunsmere, Cal.; Chas. Collin, Rupert, Idaho; Dave Rorick, Ocean-  
side, Cal.; D. Billings, Mt. Farland, Cal.

